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Russia

Russia is starting to feel the squeeze from not only the Avian Influenza situation, but also from a few of the country's prior decisions and their timing. At the end of 2003, Russian poultry traders aggressively brought in supplies to meet their domestic demand, increasing 2003 imports, which were set at 744,000 metric tons (MT.) The increase served as the basis for the 2004 allocations, 1,050,000 MT. The end result was the expansion of domestic stocks at the end of 2003.

Yet, products are not arriving in Russia at normal intervals, due to poultry quota implementation problems and a month-long delay of the distribution of import licences to Russian importers. Even though this problem has been arighted, normal flows of poultry into Russia will not resume until the first half of March 2004, due to shipping times from North and South America.

The larger stocks benefitted local consumers temporarily by suppressing growth in Russian domestic retail prices. However, the suppression did not last long as outbreaks of Avian Influenza in Asia has triggered a reduction of poultry supplies on the world market forcing an upsurge in prices. The result of the prices hikes has caused some major importers to postpone poultry purchases from the U.S. until prices go down.

Consequently, Russian consumers have gone from an abundant, affordable supply of poultry to one that is more expensive and less available. In reaction, consumers are switching to other proteins such as beef and pork as poultry prices move to more comparable prices.

In conclusion, Russia has not been directly affected by the avian flu outbreak, but has most definitely experienced indirect price affects as a result of the global competition from many importing countries

U.S. Free Trade Agreements with Thailand and Morocco

In October of 2003, President Bush announced the intentions of the U.S. to negotiate a free trade agreement (FTA) with Thailand, as well as numerous other countries throughout the year. Congress has ratified several major trade pacts in the past several years with Jordan, Singapore, and Chile, which in doing so has given the president permission to authorize negotiations for new agreements, which must be approved by Congress but not altered.

U.S. Trade Representative Robert Zoellick and Moroccan Minister-delegate of Foreign Affairs and Cooperation Taib Fassi-Fihri finally agreed March 2, 2004 to strip away barriers and facilitate trade and investment between both countries. The Administration now has 90 days to notify Congress before signing the agreement, and a not long after a formal notification of intent to sign the FTA will be sent to Capitol Hill. The proposed FTA will expand markets for all agricultural products. U.S. poultry, beef, and wheat will benefit from greater access under tariff-rate quotas, giving producers a competitive

advantage over Canada and the EU in Morocco's market. Tariffs will either be significantly reduced or eliminated from the current tariff of over 20 percent placed on U.S. product entering Morocco and the 4 percent average tariff placed on Moroccan products entering the U.S. market. For more information visit: www.ustr.gov

After a round of successful trade talks with Australia, five Central American countries, and Morocco, Zoellick has recently notified U.S. Congressional leaders of the prepared objectives and goals for free trade negotiations between the U.S. and Thailand. Negotiations are open to begin in the next 90 days as stated in the Trade Promotion Authority legislation passed by Congress in August of 2002. Representative Zoellick will also be meeting with Panama, several South American countries, and Bahrain as well in the coming months.

Source: U.S. Trade Representative/U.S. Senator Grassley Press Releases/International Egg Commission/Various News Wires

WTO Talks to Resume in March

WTO agriculture negotiations are to resume March 22, 2004 in Geneva, in what will be the first full meeting since the failed Cancun ministerial five months ago. Timothy Groser is to chair the open-ended week-long meetings, giving delegations a chance to meet and explore options for compromise and convergence. Negotiations are to be transparent with regular opportunities for small group meetings designed to provide feedback to the WTO membership.

Source: International Egg Commission

Free Trade Agreement between Japan and Mexico

After a year and a half or 14 rounds of negotiating, Japan and Mexico have finally come to terms. It is the first pact between Japan and a Latin American nation, and Mexico's first foothold in Asia. Key issues, including agricultural and industrial trade issues, were finally agreed upon on the evening of Tuesday March 9, 2004.

Japan has agreed to lower its' tariffs on Mexican agricultural products such as meat, eggs, tomatoes, oranges, wine and tobacco as well as give them access to the third largest market in the world, Japan, after the U.S. and the European Union. In turn Mexico has agreed to lower its tariffs on Japanese industrial products such as steel and cars by more than 40 percent. Both governments have agreed to eliminate auto and agricultural tariffs within 10 years.

The agreement is yet to be signed or ratified. Presently, Japan and Mexico are slated to enter into free-trade talks; Japan with Malaysia, the Philippines, South Korea, and Thailand; and Mexico with Uruguay and other countries in a proposed Free Trade Zone of the Americas.

Source: Various News Wires

Egg Imports from Mexico

The USDA Animal Plant Health Inspection Service recently completed work with Mexican officials to develop a certification process for the entry of shell eggs for the table market from two Mexican states, Sonora and Sinaloa.

Source: U.S. Senator Grassley Radio Releases

Inspected Egg Products-U.S. & Canada Export/Import Trade**U.S. Exports to Canada, in Pounds (000) (Preliminary)**

Week Ending March 06, 2004 Year-To-Date
 2003 2002/1 2003 2002

UNAVAILABLE

Source: USDA/AMS Poultry Programs, Market News Branch in cooperation with Agriculture Canada, Poultry Development Division.

LIVE POULTRY SLTRD UNDER INSPECTION W/E 06-Mar-04
(PRELIMINARY)**U.S. FOWL SLAUGHTERED DOMESTICALLY**

	LIGHT HENS	HEAVY HENS	TOTAL HENS
	THOUSANDS		
HEAD	1,129	1,250	2,379
LAST WEEK	1,139	1,252	2,391
SAME WEEK YR AGO	1,465	1,255	2,720
TO-DATE/2004	11,393	11,481	22,874
TO-DATE/2003	15,069	12,288	27,357

U.S. FOWL SLAUGHTERED IN CANADA

	LIGHT HENS	HEAVY HENS	TOTAL HENS
	THOUSANDS		
HEAD	78	0	78
LAST WEEK	95	0	95
SAME WEEK YR AGO	221	0	221
TO-DATE/2004	1,994	29	2,023
TO-DATE/2003	3,154	46	3,200

Source: Agriculture Canada, Poultry Development Division

TOTAL U.S. FOWL SLAUGHTERED IN THE U.S. AND CANADA

	LIGHT HENS	HEAVY HENS	TOTAL HENS
	THOUSANDS		
HEAD	1,207	1,250	2,457
LAST WEEK	1,234	1,252	2,486
SAME WEEK YR AGO	1,686	1,255	2,941
TO-DATE/2004	13,387	11,510	24,897
TO-DATE/2003	18,223	12,334	30,557

Source: USDA/AMS Poultry Programs, Market News Branch

CENTRAL REGION MECHANICALLY SEPARATED CHICKEN

F.O.B. SHIPPER DOCK OR EQUIVALENT, PRICES NEGOTIATED FOR MECHANICALLY SEPARATED CHICKEN IN THE CENTRAL REGION IN TRUCKLOT AND LESS THAN TRUCKLOT VOLUMES, CENTS PER POUND, DELIVERY WITHIN TWO WEEKS. 12-MAR-2004

CHICKEN	PRICES		VOLUME	
	(Cents per Pound)			
FAT	FROZEN	FRESH	TOTAL	EXPORT
CONTENT				
15% OR LESS				
RANGE	-	-	-	-
WTD AVERAGE				

CHICKEN, WITH SKIN ADDED

CHICKEN	PRICES		VOLUME	
	(Cents per Pound)			
FAT	FROZEN	FRESH	TOTAL	EXPORT
CONTENT				
15% OR LESS				
RANGE	16.00	13.00-15.00	171,600	-
WTD AVERAGE	16.00	14.24		
15-20%				
RANGE	13.00-14.00	11.00-13.75	1,660,000	1,007,200
WTD AVERAGE	13.50	11.87		
20% OR MORE				
RANGE	-	-	-	-
WTD AVERAGE				

* INCLUDES THE STATES of AL, AR, IA, IL, IN, KS, KY, LA, MI, MN, MO, MS, ND, NE, OK, OH, SD, TN, TX, WI

EASTERN REGION MECHANICALLY SEPARATED CHICKEN

F.O.B. SHIPPER DOCK OR EQUIVALENT, PRICES NEGOTIATED FOR MECHANICALLY SEPARATED CHICKEN IN THE EASTERN REGION IN TRUCKLOT AND LESS THAN TRUCKLOT VOLUMES, CENTS PER POUND, DELIVERY WITHIN TWO WEEKS. 12-MAR-2004

CHICKEN	PRICES		VOLUME	
	(Cents per Pound)			
FAT	FROZEN	FRESH	TOTAL	EXPORT
CONTENT				
15% OR LESS				
RANGE	-	-	-	-
WTD AVERAGE				

CHICKEN WITH SKIN ADDED

CHICKEN	PRICES		VOLUME	
	(Cents per Pound)			
FAT	FROZEN	FRESH	TOTAL	EXPORT
CONTENT				
15% OR LESS				
RANGE	13.50-16.00	-	920,000	520,000
WTD AVERAGE	14.91			
15-20%				
RANGE	15.50-19.00	12.50-14.00	1,588,000	728,000
WTD AVERAGE	17.36	12.87		
20% OR MORE				
RANGE		12.00	200,000	-
WTD AVERAGE		12.00		

* INCLUDES THE STATES of CT, DE, FL, GA, MA, MD, ME, NC, NH, NJ, NY, PA, RI, SC, VA, VT, WV

NATIONAL YOUNG TURKEY PARTS AND BULK MEAT, FROZEN (UNLESS SPECIFIED), CENTS PER LB., DELIVERED FIRST RECEIVERS, PART AND FULL TRUCKLOTS AS OF 12 MARCH 2004.

The thigh meat market was mixed as processors are working to clean up excess frozen supplies. The white meat market was steady to firm. Demand light to moderate with offerings held with confidence. The market tone on mechanically separated turkey (MST) was mixed with fresh in a better position. Tom drums was barely steady while the balance of items was a least steady. Trading was light to moderate and movement curtailed only by the lack of availability.

FRIDAY, MARCH 12, 2004**EXPORT TRADING**

	PRICE RANGE	L.S.T. CODE 1/	WTD AVG PRICE	VOLUME (000)	WEEKLY WTD AVG PRICE	WEEKLY VOLUME (000)
DRUMSTICKS, TOMS						
WINGS FULL-CUT - TOMS						
WINGS, V-TYPE, TOM						
TAILS						
MECHANICALLY SEPARATED 4/ THIGH MEAT - FROZEN	80.00	80.00	162	83.36	2,675	

THURSDAY, MARCH 11, 2004**EXPORT TRADING**

	PRICE RANGE	L.S.T. CODE 1/	WTD AVG PRICE	VOLUME (000)
DRUMSTICKS, TOMS				
WINGS FULL-CUT - TOMS				
WINGS, V-TYPE, TOM				
TAILS				
MECHANICALLY SEPARATED 4/ THIGH MEAT - FROZEN	76.00-88.00		83.38	1,624

WEDNESDAY, MARCH 10, 2004**EXPORT TRADING**

	PRICE RANGE	L.S.T. CODE 1/	WTD AVG PRICE	VOLUME (000)
DRUMSTICKS, TOMS				
WINGS FULL-CUT - TOMS				
WINGS, V-TYPE, TOM				
TAILS				
MECHANICALLY SEPARATED 4/ THIGH MEAT - FROZEN	79.50-88.00		83.93	889

TUESDAY, MARCH 09, 2004**EXPORT TRADING**

	PRICE RANGE	L.S.T. CODE 1/	WTD AVG PRICE	VOLUME (000)
DRUMSTICKS, TOMS				
WINGS FULL-CUT - TOMS				
WINGS, V-TYPE, TOM				
TAILS				
MECHANICALLY SEPARATED 4/ THIGH MEAT - FROZEN				

MONDAY, MARCH 08, 2004**EXPORT TRADING**

	PRICE RANGE	L.S.T. CODE 1/	WTD AVG PRICE	VOLUME (000)
DRUMSTICKS, TOMS				
WINGS FULL-CUT - TOMS				
WINGS, V-TYPE, TOM				
TAILS				
MECHANICALLY SEPARATED 4/ THIGH MEAT - FROZEN				

1/ CODES FOR LAST SIGNIFICANT TRADE (L.S.T.): M=MONDAY T=TUESDAY W=WEDNESDAY R=THURSDAY F=FRIDAY

2/ Product contains 15-20% fat with skin added.